

Message Text

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TAGS: UNGA, UNDP, EAD

SUBJECT: UNDP/UNCDF PLEDGING CONFERENCE FOR 1977

1. SUMMARY: UN DEVELOPMENT PROGRAM AND UN CAPITAL DEVELOPMENT FUND PLEDGING CONFERENCE FOR 1977 HELD NEW YORK NOVEMBER 2. PLEDGES ANNOUNCED OR ANTICIPATED TO UNDP TOTAL \$501.3 MILLION, OR SOMEWHERE BETWEEN A 4 AND 11 PERCENT INCREASE DEPENDING ON THE BASE FIGURE USED FOR 1976. PLEDGES TO UNCDF TOTALED \$13.1 MILLION. PLEDGES BY OPEC COUNTRIES CONTINUED TO BE EXTREMELY DISAPPOINTING WITH VENEZUELA BEING THE ONLY OPEC COUNTRY INCREASING ITS PLEDGE AND THEY ONLY BY A MINISCULE \$500,000. THE OTHER MAJOR DISAPPOINTMENT CONCERNED THE FACT THAT ONLY FIVE OF ALL THE DEVELOPING COUNTRIES EXPLICITLY INCLUDED IN THEIR PLEDGES THE EIGHT PERCENT OF THEIR COUNTRY PROGRAM'S THE SO-CALLED "ASSESSED PROGRAM

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COSTS THEY TRADITIONALLY PROVIDED WHICH BECAME "VOLUNTARY" FOR

THE FIRST TIME IN 1977. MORSE ATTRIBUTED THIS PROBLEM WHICH COULD "COST" UNDP AT LEAST \$10 MILLION IN 1977 TO A FAILURE IN COMMUNICATIONS AND URGED RECEIPT GOVERNMENTS TO REVIEW THE SITUATION AND HOPEFULLY MAKE APPROPRIATE ADJUSTMENTS. END SUMMARY.

2. PLEDGES TOTALING APPROXIMATELY THE EQUIVALENT OF \$399 MILLION WERE MADE NOVEMBER 2 TOWARD THE 1977 OPERATIONS OF UNDP BY THE REPRESENTATIVES OF 102 COUNTRIES. IN ADDITION, 24 GOVERNMENTS PLEDGED \$13.1 MILLION TOWARD THE CAPITAL DEVELOPMENT FUND. TWO GOVERNMENTS PLEDGED \$2.9 MILLION EQUIVALENT TO THE REVOLVING FUND FOR NATURAL RESOURCES EXPLORATION, AND ONE GOVERNMENT PLEDGED \$1.2 MILLION EQUIVALENT FOR THE TRUST FUND TO SUPPLEMENT UNDP ASSISTANCE IN FAVOUR OF COLONIAL COUNTRIES AND PEOPLE. A SUPPLEMENTAL AMOUNT FOR THE PARTICULAR BENEFIT OF THE LEASE DEVELOPED COUNTRIES TOTALING \$1.5 MILLION WAS ALSO PLEDGED FOR 1977 BY TWO GOVERNMENTS. IN ANNOUNCING THE RESULTS OF THE CONFERENCE, UNDP ADMINISTRATOR MORSE ESTIMATED THAT PLEDGES TOTALING AT LEAST \$102.3 MILLION WOULD BE MADE IN DUE COURSE BY GOVERNMENTS WHICH WERE NOT IN A POSITION TO ANNOUNCE THEIR CONTRIBUTIONS NOW. THUS, THE CONTRIBUTIONS FOR 1976 WERE EXPECTED TO AMOUNT TO THE EQUIVALENT OF ABOUT \$501.3 MILLION. THIS IS AN INCREASE OF APPROXIMATELY EIGHT PERCENT OVER CONTRIBUTIONS FOR 1976 INCLUDING ASSESSED PROGRAMME COSTS (\$15 MILLION) BUT EXCLUDING SPECIAL ADDITIONAL CONTRIBUTIONS OF APPROXIMATELY \$21 MILLION MADE TO THE CENTRAL RESOURCES OF THE PROGRAMME. IF THESE SPECIAL CONTRIBUTIONS WERE INCLUDED, THE INCREASE WOULD BE LOWERED TO APPROXIMATELY FOUR PERCENT. HOWEVER, LEAVING OUT BOTH THE ASSESSED PROGRAM COSTS COMPONENT AND THE SPECIAL CONTRIBUTIONS, THE INCREASE OF 1977 OVER 1976 WOULD BE 11 PERCENT.

3. IN HIS CLOSING STATEMENT AT THE PLEDGING CONFERENCE, MORSE SAID 31 GOVERNMENTS HAVE ANNOUNCED HIGHER PLEDGES FOR 1977 THAN FOR 1976 WITH 19 OF THESE INCREASING THEIR CONTRIBUTIONS BY AT LEAST THE 14 PERCENT "ENDORSED BY THE LAST MEETING OF THE GOVERNING COUNCIL" AS THE UNCLASSIFIED

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BASIS UPON WHICH IPF'S FOR THE NEXT PROGRAMMING CYCLE WERE BASED. HE WAS HOPEFUL THAT IN THE NEAR FUTURE MORE GOVERNMENTS WOULD ANNOUNCE INCREASES OVER THEIR PAST YEAR'S PLEDGES. HE SAID IT WAS GRATIFYING THAT SEVEN GOVERNMENTS HAD ALREADY BECOME NET CONTRIBUTORS. HE THANKED THEM, AND EXPRESSED APPRECIATION TO THOSE GOVERNMENTS THAT HAVE INDICATED THEY WILL SEEK TO BECOME NET CONTRIBUTORS TO THE PROGRAMME IN THE COMING YEARS. MORSE SAID THAT WHILE IT WAS GRATIFYING THAT THE

FINANCIAL SITUATION HAS IMPROVED SINCE THE BEGINNING OF 1976, UNDP IS "BY NO MEANS OUT OF THE WOODS. THE LEVEL OF RESOURCES NOW ESTIMATED FOR 1977 WILL NOT MAKE IT POSSIBLE TO ACHIEVE A LEVEL OF DELIVERY ENVISAGED IN THE EXPENDITURE CEILINGS FOR 1977, WHICH, IT WILL BE RECALLED, DID NOT ALLOW FOR ANY INCREASE EVEN IN MONETARY TERMS OVER THE 1976 LEVEL. THIS IS CLEARLY A SITUATION WHICH WE CANNOT ACCEPT AS THE FINAL INDICATION OF SUPPORT FROM MEMBER GOVERNMENTS TO THIS IMPORTANT PROGRAM. INDEED, IN ORDER TO GUARANTEE THE FINANCIAL VIABILITY OF THE PROGRAM, NOT ONLY WILL UNDP REQUIRE ADDITIONAL RESOURCES BUT IT WILL BE NECESSARY TO OBTAIN EARLY PAYMENT OF CONTRIBUTIONS IN 1977."

4. COMMENT: UNDP WILL NEED IN THE ORDER OF \$50 MILLION MORE IN CONVERTIBLE CURRENCY PLEDGES FOR 1977. IF IT IS GOING TO:
A) RUN ITS 1977 PROGRAM AT THE MODEST LEVEL APPROVED IN PRINCIPLE AT THE LAST GOVERNING COUNCIL;
B) PAY BACK ALL ADVANCES TO SUCH ORGANIZATIONS AS THE IBRD; AND
C) PUT \$15 MILLION IN ITS PRESENTLY NON-EXISTENT OPERATIONAL RESERVE.

5. MANY OF THE DEVELOPED COUNTRIES ANNOUNCED MAJOR INCREASES IN THEIR 1977 PLEDGES TO UNDP INCLUDING:

AUSTRALIA	\$5.1 MILLION	UP 39 PERCENT
AUSTRIA	\$3.2 MILLION	UP 15 PERCENT
BELGIUM	\$12.3 MILLION	UP 35 PERCENT
CANADA	\$34.7 MILLION	UP 21 PERCENT
DENMARK	\$46.7 MILLION	UP 19 PERCENT
NORWAY	\$28.1 MILLION	UP 32 PERCENT
SWEDEN	\$60.7 MILLION	UP 24 PERCENT
SWITZERLAND	\$9.1 MILLION	UP 15 PERCENT
NETHERLANDS	\$47.8 MILLION	UP 5 PERCENT

6. NEW ZEALAND ON THE OTHER HAND CUT ITS PLEDGE BY \$627,000
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OR BY MORE THAN 27 PERCENT.
THE DELEGATES OF THE FRG, JAPAN THE UK AND FRANCE EACH STATED THEY WERE UNABLE TO ANNOUNCE A SPECIFIC PLEDGE AT THIS TIME.

7. AMBASSADOR MYERSON ANNOUNCED THE US PLEDGE OF \$100 MILLION PLUS THE FIRST US PLEDGE (\$2.5 MILLION). TO THE REVOLVING FUND FOR NATURAL RESOURCES. THE TEXT OF THE US STATEMENT IS BEING SENT TO THE DEPARTMENT BY SEPTEL.

8. OPEC PLEDGES - WITHOUT EXCEPTION OPEC PLEDGES WERE AGAIN DISAPPOINTING WITH VENEZUELA BEING THE ONLY OPEC COUNTRY TO EVEN marginally INCREASE ITS 1977 PLEDGE. IN THE VIEW OF USUN THIS CONTINUES TO POINT UP THE FACT THAT, DESPITE NUMEROUS VISITS BY UN SENIOR OFFICIALS TO OPEC CAPITALS, TRADITIONAL UN ASSISTANCE ORGANIZATIONS SUCH AS UNDP HAVE YET TO BECOME THE CHOSEN

VEHICLES FOR ANY RESPECTABLE LET ALONE MAJOR PORTION OF OPEC'S
FINANCIAL ASSISTANCE TO OTHER LDC'S.

9. SOVIET UNION - AS HAS BEEN THE CASE FOR MANY YEARS NOW THE
SOVIET UNION ONCE AGAIN PLEDGED \$2.7 MILLION RUBLES, OF WHICH
25 PERCENT WOULD BE IN CONVERTIBLE CURRENCIES, AND URGED THE UNDP
TO UTILIZE MORE RUSSIAN EXPERTS, SUB-CONTRACTORS AND TRAINING
FACILITIES IN ORDER TO DRAW DOWN ITS PRESENT LARGE
ACCUMULATION OF RUBLES.

10. CHINA - AS IT HAD DONE ONCE BEFORE (1975), CHINA
ANNOUNCED THAT FOR 1977 IT HAD ONCE AGAIN DECIDED TO
SUSPEND ITS CONTRIBUTION TO UNDP BECAUSE THERE HAD
BEEN NO TIMELY AND POSITIVE RESPONSE TO CHINA'S
REASONABLE PROPOSALS FOR THE UTILIZATION OF ITS PREVIOUS
CONTRIBUTIONS. THE CHINESE DELEGATE WENT ON TO SAY THAT "THE
PRESENT AID POLICY AND SYSTEM OF THE UNDP ARE FAR FROM REASONABLE."

11. A COMPLETE SET OF THE DOCUMENTS AND INFORMATION FACT SHEETS
PRODUCED BY UNDP ON THE RESULTS OF THE PLEDGING CONFERENCE WILL BE
SENT TO THE DEPARTMENT AS SOON AS THEY ARE RECEIVED BY USUN.

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